UNITED STATES PATENT AND TRADEMARK OFFICE

COMMISSIONER FOR PATENTS
UNITED STATES PATENT AND TRADEMARK OFFICE
P.O. BOX 1450
ALEXANDRIA, VA 22313-1450
www.uspto.gov

Paper No.

KING & SPALDING
1185 AVENUE OF THE AMERICAS
NEW YORK NY 10036-4003

MAILED
MAR 15 2011
OFFICE OF PETITIONS

In re Application of :
Wender et al. :
Application No. 10/788,506 :
Filed: February 26, 2004 :
Atty Docket No. 16908-105002 :
Title: METHOD OF EVALUATING :
AN OPTION SPREAD :

DECISION
ON APPLICATION FOR
PATENT TERM ADJUSTMENT

This is in response to the "PETITION FOR RECONSIDERATION OF PATENT TERM ADJUSTMENT UNDER 37 C.F.R. § 1.705(B)," filed January 26, 2011. Applicants submit that the correct patent term adjustment to be indicated on the patent is one thousand, two hundred and fifteen (1215) days, not nine hundred and twenty-one (921) days as calculated by the Office as of the mailing of the initial determination of patent term adjustment. Applicants request this correction partly on the basis that the Office will take in excess of three years to issue this patent. In addition, Applicants contend that an additional period of examination delay should have been accorded.

To the extent that the instant application for patent term adjustment requests reconsideration of the patent term adjustment as it relates to the Office's failure to issue the patent within 3 years of the filing date, the application for patent term adjustment under 37 CFR 1.705(b) is **DISMISSED as PREMATURE**.

Knowledge of the actual date the patent issues is required to calculate the amount, if any, of additional patent term patentee is entitled to for Office failure to issue the patent within 3 years. See § 1.702(b). (This is true even where a request for continued examination (RCE) was filed). The computer will not undertake the § 1.702(b) calculation until the actual date of issuance of the patent has been determined. Likewise, the computer will not calculate any further Office delay under

§ 1.702(a)(4) or applicant delay under § 1.704(c)(10) until the actual date of issuance of the patent has been determined. As such, the Office can not make a determination on the correctness of the patent term adjustment until the patent has issued.

Requesting reconsideration of the patent term adjustment to be indicated on the patent under 37 CFR 1.705(b) based on the initial determination of patent term adjustment and a projected issuance date of the patent (or even the filing date of the request for continued examination) is premature. Accordingly, it is appropriate to dismiss as premature such a request.

Rather than file an application for patent term adjustment under 37 CFR 1.705(b) contesting the 37 CFR 1.702(b) calculation at the time of the mailing of the notice of allowance, Applicants are advised that they may wait until the time of the issuance of the patent and file a request for reconsideration of the patent term adjustment pursuant to 37 CFR 1.705(d). As the USPTO does not calculate the amount of time earned pursuant to 37 CFR 1.702(b) until the time of the issuance of the patent, the Office will consider any request for reconsideration of the patent term adjustment due to an error in the calculation of 37 CFR 1.702(b) to be timely if the request for reconsideration is filed within two months of the issuance of the patent. However, as to all other bases for contesting the initial determination of patent term adjustment received with the notice of allowance, Applicants must timely file an application for patent term adjustment prior to the payment of the issue fee.[1]

To the extent that Applicants otherwise requests reconsideration of the patent term adjustment at the time of the mailing of the notice of allowance, the request is **DISMISSED**.

---

[1] For example, if Applicants dispute both the calculation of patent term adjustment under 37 CFR 1.702(a)(1) for Office failure to mail a first Office action or notice of allowance not later than fourteen months after the date on which the application was filed and under 37 CFR 1.702(b) for Office failure to issue a patent within three years of the actual filing date of the application, then Applicants must still timely file an application for patent term adjustment prior to the payment of the issue fee to contest the calculation of Office delay in issuing a first Office action or notice of allowance. See 37 CFR 1.705(b) and 35 U.S.C. 154(b)(3)(B). A dispute as to the calculation of the § 1.702(a)(1) period raised on request for reconsideration of patent term adjustment under 37 CFR 1.705(d) will be dismissed as untimely filed.

The Office mailed a non-final Office action on March 3, 2010, and a response was received on April 12, 2010. A final Office action under 35 U.S.C. § 132(a) was mailed on July 23, 2010. On August 24, 2010, the Office mailed an Examiner's Interview which stated, *in pertinent part*, "...the final rejection dated 7/23/2010 is vacated. A new office action will be forthcoming." On December 9, 2010 (four months and 119 days after the April 12, 2010 response was received), the Office mailed a Notice of Allowance.

Applicants assert that since the July 23, 2010 Office action was vacated, it "should not be considered as a response by the USPTO to Applicants' submissions of April 12, 2010 for the purpose of calculating patent term adjustment."[2] In other words, Applicants contend that the period of adjustment to the patent term under 37 CFR 1.702(a)(2) and 1.703(a)(2) is properly calculated using the December 9, 2010 notice of allowance, rather than the July 23, 2010 final Office action; therefore, since the Office responded to the April 12, 2010 four months and 119 days after the receipt of the same, an adjustment of 119 days is warranted.

RELEVANT STATUTES

35 U.S.C. § 131 provides that:

> The Director shall cause an examination to be made of the application and the alleged new invention; and if on such examination it appears that the applicant is entitled to a patent under the law, the Director shall issue a patent therefor.

35 U.S.C. § 132 provides that:

> (a) Whenever, on examination, any claim for a patent is rejected, or any objection or requirement made, the Director shall notify the applicant thereof, stating the reasons for such rejection, or objection or requirement, together with such information and references as may be useful in judging of the propriety of continuing the prosecution of his application; and if after receiving such notice, the applicant persists in his claim for a patent, with or without amendment, the application shall be reexamined. No amendment shall introduce new matter into the disclosure of the invention.
> (b) The Director shall prescribe regulations to provide for the continued examination of applications for patent at the request of the applicant. The Director may establish appropriate fees

[2] Petition, page 3.

> for such continued examination and shall provide a 50 percent reduction in such fees for small entities that qualify for reduced fees under section 41(h)(1) of this title.

35 U.S.C. § 133 provides that:

> Upon failure of the applicant to prosecute the application within six months after any action therein, of which notice has been given or mailed to the applicant, or within such shorter time, not less than thirty days, as fixed by the Director in such action, the application shall be regarded as abandoned by the parties thereto, unless it be shown to the satisfaction of the Director that such delay was unavoidable.

35 U.S.C. § 154(b)(1)(A), provides, in relevant part:

> Subject to the limitations under [35 U.S.C. § 154(b)(2)], if the issue of an original patent is delayed due to the failure of the Patent and Trademark Office to–
>
> respond to a reply under section 132, or to an appeal taken under section 134, within 4 months after the date on which the reply was filed or the appeal was taken;
>
> the term of the patent shall be extended 1 day for each day after the end of this [four-month period] until [the response] is taken.

DECISION

Applicants in essence argue that the Examiner's Interview Summary of August 24, 2010 "vacated" the final Office action under 35 U.S.C. § 132(a) of July 23, 2010, and as such the Office action under 35 U.S.C. § 132(a) of July 23, 2010 should be treated as not having been issued for purposes of determining whether the issuance of the patent was delayed due to the failure of the USPTO to respond to Applicant's reply of April 12, 2010 within four months after the date on which the reply was filed. Applicants' arguments have been considered but are not persuasive.

The vacatur of an Office action sets aside or withdraws any rejection, objection or requirement in an Office action, as well as the requirement that the applicant timely reply to the Office action to avoid abandonment under 35 U.S.C. § 133. The vacatur of an Office action signifies that the Office action has been set aside, voided, or withdrawn as of the date of the vacating

Office action or notice. The vacatur of an Office action, however, does **not** signify that the vacated Office action is void *ab initio* and is to be treated as if the USPTO had never issued the Office action. The patent examination process provided for in 35 U.S.C. §§ 131 and 132 contemplates that Office actions containing rejections, objections or requirements will be issued, and that the applicant will respond to these Office action, "with or without amendment." (35 U.S.C. § 132(a)). The mere fact that an examiner or other USPTO employee upon further reflection determines that an Office action, or that a rejection, objection or requirement in an Office action, is not correct and must be removed does not warrant treating the Office action as void *ab initio* and as if the USPTO had never issued the Office action.

The USPTO appreciates that there may be situations in which it is appropriate to treat an Office action or notice issued in an application as void *ab initio* and as if the USPTO had never issued the Office action. However, these would be extremely rare situations, such as the issuance of an Office action or notice by an employee who does not have the authority to issue that type of Office action or notice, the issuance of an Office action or notice in the wrong application, or the issuance of an Office action or notice containing language not appropriate for inclusion in an official document. In essence, the situations in which it is appropriate to treat an Office action or notice issued in an application as void *ab initio* and as if the USPTO had never issued the Office action are the situations in which it is appropriate to expunge an Office action or notice from the USPTO's record of the application. That is simply **not** the case in this situation.

Pursuant to 35 U.S.C. § 154(b)(1)(A)(ii), patentees are entitled to day-to-day adjustment if the USPTO delays the issuance of a patent by failing to respond to a reply by the applicant within four months from the filing of the reply. The record of the above-identified patent indisputably indicates that the USPTO entered an Office action under 35 U.S.C. § 132, specifically a final Office action, on July 23, 2010, within four months of the filing of a reply under 37 C.F.R. § 1.111 on April 12, 2010. The fact that the Office later set aside the final Office action of July 23, 2010 does not negate the fact that the Office responded within the meaning of 35 U.S.C. § 154(b)(1)(A)(ii) and 37 C.F.R. § 1.702(a)(2) on July 23, 2010 to the reply under 37

C.F.R. § 1.111 on April 12, 2010. Unless expunged from the record (which is not warranted in this situation), for purposes of calculating patent term adjustment, the Office action entered by the examiner on July 23, 2010, was properly used to determine whether the USPTO delayed the issuance of the above-identified patent by failing to respond to the reply of April 12, 2010 within four months from the filing of the reply under of 35 U.S.C. § 154(b)(1)(A)(ii) and 37 CFR 1.702(a)(2). *See Changes to Implement Patent Term Adjustment under Twenty-Year Patent Term*, 65 *Fed. Reg.* 54366 (Sept. 18, 2000) (final rule).

CONCLUSION

The request for reconsideration of the patent term adjustment as it relates to the Office's failure to issue the patent within 3 years of the filing date is dismissed as premature.

The request to accord a single period of examination delay associated due to the vacating of the July 23, 2010 final Office action is dismissed.

The Office acknowledges submission of the $200.00 fee set forth in 37 C.F.R. § 1.18(e). No additional fees are required.

Any request for reconsideration of the patent term adjustment indicated on the patent must be timely filed within 2 months after issuance pursuant to 37 C.F.R. § 1.705(d) and must include payment of the required fee under 37 C.F.R. § 1.18(e). Applicants are reminded that any delays by the Office pursuant to 37 C.F.R. §§ 1.702(a)(4) and 1.702(b) and any applicant delays under 37 C.F.R. § 1.704(c)(10) will be calculated at the time of the issuance of the patent and Applicants will be notified of the revised patent term adjustment to be indicated on the patent in the Issue Notification letter that is mailed to applicants approximately three weeks prior to issuance.

The Office of Data Management has been advised of this decision. This matter is being referred to the Office of Data Management for issuance of the patent.

Telephone inquiries regarding this decision should be directed to Senior Attorney Paul Shanoski at (571) 272-3225.

/Paul Shanoski/
Paul Shanoski
Senior Attorney
Office of Petitions